

AMENDED IN ASSEMBLY MAY 6, 2003

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1181

Introduced by Assembly Member Ridley-Thomas

February 21, 2003

An act to add Section 381.1 to the Insurance Code, relating to automobile insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1181, as amended, Ridley-Thomas. Automobile insurance: rating information disclosures.

Existing law requires that an insurance policy shall specify various information.

This bill would require that a policy of automobile insurance contain, *at policy issuance and in each renewal notice sent prior to the renewal of the policy*, a rating information disclosure regarding the information that was applied in determining the premium that was charged for the policy. The bill would require that the policy specify various information that was used as the basis for rating the coverage, including, among other things, the ~~minor and major driving-related traffic~~ convictions and the number of at fault property damage and bodily injury accidents for each *rated driver or vehicle*. ~~The bill would authorize the Insurance Commissioner, after receiving a written request, to approve modifications to the language or the format described, as specified.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1.—Section 381.1 is added to the Insurance Code, to~~
2 SECTION 1. Section 381.1 is added to the Insurance Code, to
3 read:
4 381.1. (a) The information described in subdivision (b) shall
5 be provided to the policyholder at the time of application for, or
6 issuance of, a policy of automobile insurance, as defined in Section
7 660, and in each renewal notice sent prior to the renewal of the
8 policy. However, information described in paragraphs (1) and (2)
9 of subdivision (b) may be provided to the policyholder separately
10 upon request. The information shall not be presented as an
11 abbreviation or code unless a key to the abbreviations or codes
12 used is also included.
13 (b) For each rated driver or vehicle, as applicable, the number
14 of incidents or other relevant data that apply to each of the
15 following categories:
16 (1) Traffic convictions.
17 (2) At-fault accidents (property damage or bodily injury).
18 (3) Estimated annual mileage driven.
19 (4) Years of driving experience.
20 (5) Vehicle use (e.g., pleasure, commute, business).
21 (6) ZIP Code of the location where the vehicle is garaged, if
22 different from the mailing address of the policyholder.
23 (7) Driver-related discounts applied.
24 (8) Vehicle-related discounts or surcharges applied.
25 (c) The disclosure of information required by this section may
26 contain additional provisions that are not in conflict with, or
27 derogation of, these provisions.
28 read:
29 ~~381.1.—(a) A policy of automobile insurance, as defined in~~
30 Section 660, shall contain a statement inserted on the declaration
31 page or attached to it, containing the information described in
32 subdivision (b).
33 ~~(b) The statement shall be labeled, in boldface font, “RATING~~
34 ~~INFORMATION DISCLOSURE.” It shall include for each rated~~
35 ~~driver the following language, or substantially similar language,~~

1 ~~in at least 10-point type, and shall indicate for that driver the~~
2 ~~number of incidents or other relevant data applicable to each~~
3 ~~category:~~

6 ~~RATING INFORMATION DISCLOSURE~~

8 ~~The following information was applied in determining the~~
9 ~~premium that was charged for this policy. For accidents to be used~~
10 ~~in rating, the insured driver must be at least 51 percent at fault and~~
11 ~~the property damage must be above the minimum threshold:~~

- 12 ~~1. Minor convictions, 3-year driving record:~~
- 13 ~~2. Major convictions, 7-year driving record:~~
- 14 ~~3. Property damage accidents:~~
- 15 ~~4. Bodily injury accidents:~~
- 16 ~~5. Estimated annual mileage driven:~~
- 17 ~~6. Years of driving experience:~~
- 18 ~~7. Vehicle number to which the driver is assigned:~~
- 19 ~~8. Vehicle use (e.g., pleasure, commute, business):~~
- 20 ~~9. Driver-related discounts applied:~~
- 21 ~~10. Vehicle-related discounts or surcharges:~~

22 {
23 ~~(e) The disclosure required in this section may contain~~
24 ~~additional provisions that are not in conflict or derogation with~~
25 ~~these provisions:~~

26 ~~(d) The commissioner may, after receiving a written request,~~
27 ~~approve modifications to the language or format described,~~
28 ~~provided that the modifications are not in conflict or derogation of~~
29 ~~this section and that the modifications are necessary to ensure the~~
30 ~~accuracy of the statement.~~